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# THE Marketing and Transportation SITUATION

BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

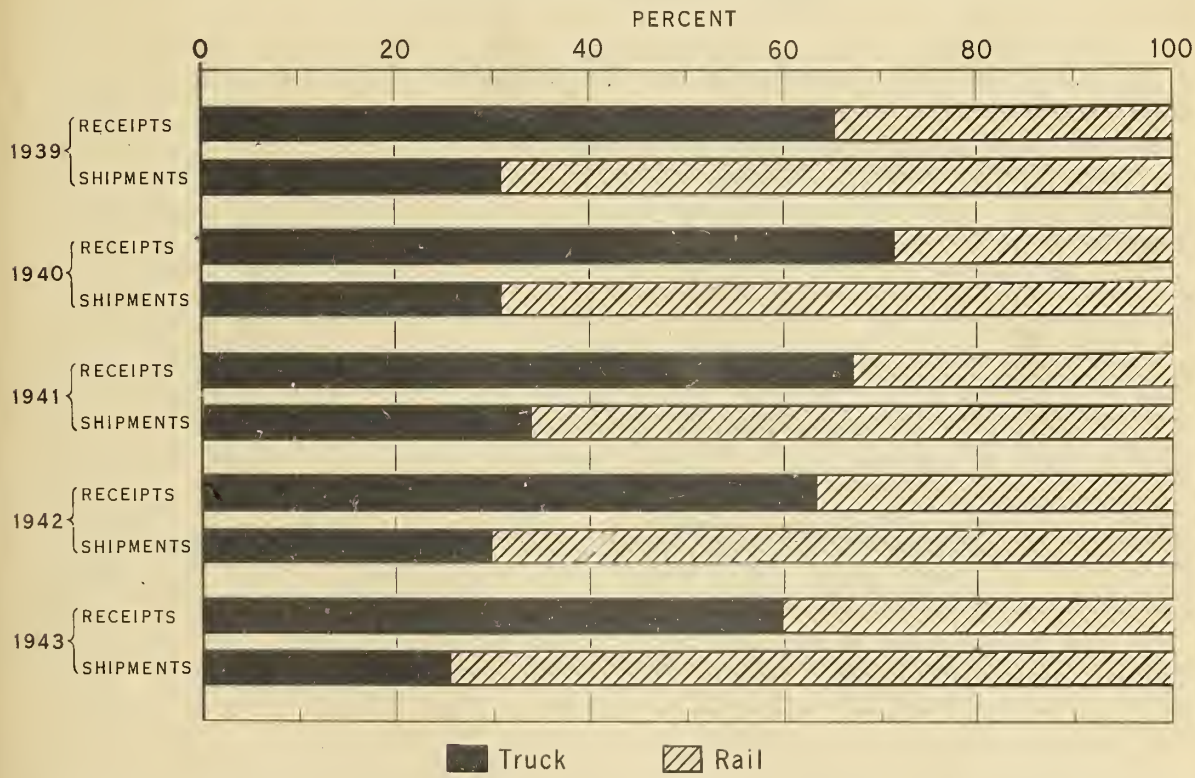
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TRUCK AND RAIL RECEIPTS OF LIVESTOCK AT 39 PUBLIC MARKETS,  
AND SHIPMENTS FROM THE SAME MARKETS, 1939-43  
(BASED ON CARLOT EQUIVALENTS)



Motortrucks were used for delivering annually 60 to 72 percent of the livestock to 39 public markets in 1939-43, but this means of transportation handled only 26 to 34 percent of the livestock shipped out of the same markets during the 5-year period. Both the proportion of livestock shipped out by rail, and that received by rail increased in 1942 and 1943. This probably resulted from the need for conserving motor vehicle equipment.

# MARKETING AND TRANSPORTATION SITUATION

MAY 1944

## USE OF MOTORTRUCKS AND RAIL FOR SHIPPING LIVESTOCK FROM PUBLIC MARKETS

About 60 percent of all livestock received at public markets in 1939-43 were slaughtered in adjacent plants; nearly 15 percent were reshipped to farms and feedlots for additional feeding; and 25 percent were shipped out either to slaughtering plants in other areas, or to other markets for resale. These estimates are based on an average of 1.1 million carlots per year received at 68 public markets in the United States.

A significant part of the receipts at some markets, such as Buffalo, Pittsburgh, and Jersey City, are from other markets. Typically about one-half of the cattle, one-fourth of the hogs, over 40 percent of the calves and 45 percent of the sheep and lambs received at all markets combined, are reshipped. The proportions reshipped often vary from one year to the next.

Seventy percent of all livestock shipped out of 39 public markets moved by rail during 1939-43. (See cover chart.) The other 30 percent were hauled by motortruck. Shipments by rail were relatively most important from markets in the Mountain States and Texas. Motortruck shipments were relatively important from markets in the Pacific States, but the number of livestock shipped from these markets was small. Information on shipments from public markets was obtained from the 39 important public markets, through the courtesy of the American Stock Yards Association. Twenty-two of these markets are located in the Corn Belt States.

Nearly 90 percent of the sheep and lambs shipped from these markets in the past 5 years, moved by rail (table 1). About two-thirds of the cattle, three-fourths of the calves, and four-fifths of the hogs shipped out were moved by rail.

Table 1.- Truck and rail transportation of livestock received and that shipped from 39 public markets in the United States, by species, 1939-43

Item	1939		1940		1941		1942		1943	
	Truck	Rail	Truck	Rail	Truck	Rail	Truck	Rail	Truck	Rail
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Cattle:										
Receipts .....	66.9	33.1	71.0	29.0	69.1	30.9	64.1	35.9	59.0	41.0
Shipments .....	42.5	57.5	43.0	57.0	45.3	54.7	39.9	60.1	33.9	66.1
Calves:										
Receipts .....	69.9	30.1	70.9	29.1	65.2	34.8	65.2	34.8	65.0	35.0
Shipments .....	27.1	72.9	31.7	68.3	34.2	65.8	26.1	73.9	22.9	77.1
Hogs:										
Receipts .....	82.0	18.0	84.2	15.8	76.1	23.9	71.7	28.3	68.1	31.9
Shipments .....	16.9	83.1	15.3	84.7	23.7	76.3	18.2	81.8	15.7	84.3
Sheep and lambs:										
Receipts .....	24.1	75.9	34.0	66.0	34.2	65.8	32.8	67.2	33.1	66.9
Shipments .....	11.3	88.7	12.1	87.9	13.2	86.8	11.4	88.6	12.2	87.8
All livestock:										
Receipts .....	65.3	34.7	71.5	28.5	67.2	32.8	63.3	36.7	59.9	40.1
Shipments .....	30.9	69.1	30.8	69.2	34.0	66.0	29.7	70.3	25.6	74.4



Important reasons why such a large proportion of the sheep and lambs move from the public markets by rail are that they are commonly bought in large lots, are transported relatively long distances, and are forwarded from many of the markets on through-billing privileges.

Of the slaughter lambs bought at midwestern markets by outside packers, a significant volume goes to plants on the Atlantic seaboard. Most lamb feeders handle larger numbers, and often buy in large lots.

Relatively large proportions of both the feeder and the slaughter lambs from the range that are cleared through important midwestern markets have through-billing privileges. This encourages reshipments by rail, because the animals can then be moved out at reduced rates. At Omaha, approximately three-fourths of the feeders shipped were forwarded on through-billing, according to a report from that market. Nearly all slaughter lambs received from the range at that market have billing privileges. The situation is somewhat similar at Kansas City for feeder lambs, but through-billing privileges apparently are not available for slaughter lambs to quite the same extent.

Carlot buying of feeder cattle at public markets is common in the fall. Considerable numbers of western range cattle received at Corn Belt markets are also shipped out by rail on through rates. However, the purchase at these markets of individual animals and small lots of cattle is relatively common, and these are generally moved out by motortruck. Hogs are seldom bought for feeding in carlots, except some purchased by garbage feeders.

Motortrucks are used to a relatively much greater extent for delivering livestock to the public markets than for shipping livestock from these markets. Of all livestock received at the same 39 public markets during 1939-43, two-thirds came by truck and one-third by rail. Large proportions of the receipts at most markets come from localities relatively nearby. Such livestock is usually either delivered in small lots by truck, or is assembled from farms in small lots into truck-loads for delivery to market.

Sheep and lambs were received at these markets by rail in relatively larger proportions than other livestock. Receipts at midwestern markets from the range are usually by rail. Significant numbers of lambs from feedlots in some areas are shipped to market in carlots by rail.

Rail transportation also is largely used for cattle and calves shipped from the range to markets located outside of that range area, but trucks often are used for moving the stock to markets relatively nearby. Outside the range, it is common for producers to sell cattle and calves in small lots, and relatively large proportions are moved to market by motortruck. In the Corn Belt States in 1940, only 6 percent of the farmers selling cattle marketed in lots equivalent to carlots. Carlot shipments, however, accounted for more than one-third of the cattle sold that year. In the Corn Belt, rail transportation is often used when relatively large lots of cattle are shipped from feedlots to markets.

The sale of calves in carlots is unimportant, except from the range. Veal calves move to markets relatively nearby, and these generally are hauled by motortruck. This, also, is generally the case with hogs.

Both rail receipts of livestock at the public markets and rail shipments from these markets increased in relation to the total in both 1942 and 1943, compared with a year earlier. For sheep and lambs, the proportions of the total received and shipped by rail changed very little.

Indications are that the greater use of rail transportation both for delivering livestock to markets and for moving livestock out of markets was influenced by both voluntary and organized efforts for conserving tires and motortrucks during the emergency. The shift from motortruck to rail appears also to be partly accounted for by changes in marketing. Both feeder cattle and lambs were cleared through public markets in larger proportions in 1942 than in 1941, and in 1943 than in 1942, and such animals were reshipped to feedlots. These came primarily from the ranges and therefore moved to market by rail. Relatively large numbers were shipped to feedlots on through-rate billings.

Further shifts from motortruck to rail transportation of livestock may be expected during the coming year as a result of the difficulty in obtaining truck replacements. There is every indication that the railroads will be able to handle an increased volume, except possibly during the peak marketing of livestock in the fall when cattle and lambs will be moved in largest numbers from the western ranges.

#### FLUID MILK AND CREAM: CHANNELS OF DISTRIBUTION IN RECENT YEARS <sup>1/</sup>

Before the war, little attention was given to institutional uses of foodstuffs already substantial at that time. The analysis of demand conditions centered on the individual consumer or upon dealers in the wholesale markets. Little or no consideration was given to institutional consumption in connection with marketing studies.

The war brought a greatly increased need for accurate and adequate statistics on food consumption and distribution. This information was required in connection with the allocation of available supplies, rationing and price controls. Despite these needs, very few analyses have been made of institutional uses of food, and few quantitative indications of the relative importance of such uses, both past and present, are available. The data which are at hand point to the probability that food used in hotels, restaurants, cafeterias, dining cars, hospitals, and schools represents a much larger proportion of total consumption than many technicians working in the field of marketing had supposed.

One such analysis for milk and cream appeared in the January 1944 issue of The Marketing and Transportation Situation. A request for constructive criticisms which appeared in that article, brought suggestions which have been taken into account in a further analysis of the subject presented here. This analysis indicates that in 1942 institutional use of fluid milk and the milk equivalent of fluid cream amounted to over 10 million pounds, or about 21 percent of the total consumption.

There is no doubt that the proportion of total consumption of food used in institutions has considerably increased during the war. Many citizens, men and women, have joined the Armed Forces and many of these have been ordered overseas. Many persons formerly on farms are now employed in industry. More persons per family are employed and for longer hours per week. Farm and nonfarm per capita incomes have increased substantially. Many persons formerly on relief or in public employment now enjoy good incomes. Higher incomes tend to increase patronage of commercial eating and drinking establishments. Numerous families have established "temporary" residence in new locations near war industries. Military personnel on leave spend a good part of their pocket money in eating places. These changes have resulted in an increased per capita consumption of food and especially in increased consumption in commercial eating places of all categories.

<sup>1/</sup> By H.S. Cannell, formerly Agricultural Economist. See "The Marketing and Transportation Situation" January 1944 for preliminary estimates.



The picture presented in published Census estimates is one of mass migrations. For example, between April 1, 1940, and March 1, 1943, Scranton-Wilkes Barre lost 17.9 percent of its population, Atlantic City lost 13.5 percent; Norfolk-Newport News gained 45.2 percent and Mobile gained 64.6 percent. In Nevada, which gained 25.7 percent, Clark County gained 154.6 percent, while Eureka County lost 50.5 percent. North Dakota lost 15.6 percent, but Traill County lost only 3.1 percent while Billings County lost 35.2 percent. Furthermore, it must be remembered that Census estimates are "on balance" estimates, providing no measures of in-migration and out-migration but only of net gains or losses. It is clear that, in general, agricultural areas lost population and industrial areas gained. The Bureau of Labor Statistics estimates that the number of persons employed as wage earners increased by 65 percent between the same years. Conditions like these make the problem of estimating quantities of food consumed by categories of consumers one of great difficulty, and emphasize the need for giving more attention to institutional uses of food in formulating programs as well as making statistical estimates.

This analysis is concerned only with the consumption of fluid milk and the milk equivalent of fluid cream. The first problem is to estimate for 1942:

- (1) Consumption within the home
  - (a) By the farm population
  - (b) By the nonfarm population
- (2) Consumption outside the home
  - (a) By institutions such as restaurants, schools, dining cars, hospitals and all other rationed institutions
  - (b) Prisons, reformatories, asylums, etc., which are rationed differently, and boarding houses; also industrial users, and all users not included within any of the other categories

The second problem is to carry the 1942 estimates back to 1935-39, 1940 and 1941, and forward to 1943. (See tables 2 and 3 for these and other relevant data.)

Fortunately, two surveys exist. One is by the Bureau of Human Nutrition and Home Economics-Bureau of Labor Statistics <sup>2/</sup> for rural farm, rural nonfarm and urban housekeeping consumption in the spring of 1942, and one is by the Office of Price Administration for consumption in December 1942, in rationed institutions.<sup>3/</sup> These include hotels, restaurants, cafeterias, fountain and counter service establishments, schools, hospitals, ships, dining cars and indeed all institutions of voluntary participation, both rural and urban. The Bureau of Agricultural Economics provides annual estimates of "milk and cream consumed on farms where produced" and "consumed in cities, villages, etc.". For the purposes of this analysis, the sum of the Bureau of Agricultural Economics estimates is assumed to be the correct total for 1942.

The Bureau of Human Nutrition and Home Economics-Bureau of Labor Statistics Survey provides a set of unadjusted per capita estimates of the housekeeping consumption of fluid milk and milk equivalent of fluid cream based on reports by the housewives interviewed. The seasonal consumption indices are rough estimates, based on various surveys that have been made, notably one for New York City and several for cities in Pennsylvania. These were considered in approximating the urban

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<sup>2/</sup> Family Spending and Saving in War-Time, Misc. Publication, No. 520, Dept. of Agriculture and unassigned number, Bureau of Labor Statistics.

<sup>3/</sup> The OPA survey excludes only prisons, reformatories, asylums, etc., and boarding houses.

Table 2.- Fluid milk and the milk equivalent of fluid cream, by consumer categories, 1942 ::

Item	Fluid milk :: Mil. lb.	Milk :: equivalent of fluid cream :: Mil. lb.	Total Milk :: and milk :: equivalent of :: fluid cream :: Mil. lb.
Nonhousekeeping consumption (CPA adjusted): Institutional users; eating places, hospitals; schools, dining cars, etc. ....	5,402	4,954	10,356
For balance and other uses, including Industrial .....	---	---	1,767
Housekeeping consumption (BUREAU, adjusted): Rural farms .....	8,696.4	2,523.5	11,219.9
Rural nonfarms .....	7,005.5	1,059.7	8,065.2
Urban .....	15,434.6	2,671.3	18,105.9
Total housekeeping consumption .....	31,136.5	6,254.5	37,391.0
Grand total, all uses (BLS) .....	---	---	49,514
Disposition break-down, as percentages of the 1942 total -	Pct.	Pct.	Pct.
Nonhousekeeping consumption: Institutional users: restaurants, hospitals, cafeterias, dining cars, etc. ..	10.9	10.0	20.9
For balance and other uses, including Industrial .....	---	---	3.6
Housekeeping consumption: Rural farms .....	17.6	5.1	22.7
Rural nonfarms .....	14.1	2.1	16.2
Urban .....	31.2	5.4	36.6
Total housekeeping consumption .....	62.9	12.6	75.5
Grand total, all uses .....	---	---	100.0
Disposition break-down, by consumer groups - Nonhousekeeping consumption: Institutional users: restaurants, hospitals, cafeterias, dining cars, etc. ..	52.2	47.8	100.0
For balance and other uses, including Industrial .....	---	---	100.0
Housekeeping consumption: Rural farms .....	77.5	22.5	100.0
Rural nonfarms .....	86.9	13.1	100.0
Urban .....	85.2	14.8	100.0
Total housekeeping consumption .....	83.3	16.7	100.0
Grand total, all uses .....	---	---	100.0
Housekeeping consumption, pounds per capita per year -	Lb.	Lb.	Lb.
Rural farms .....	334.0	96.9	430.9
Rural nonfarms .....	245.6	37.1	282.7
Urban .....	216.7	37.5	254.2
Total housekeeping .....	247.5	49.7	297.2

Table 3.- Fluid milk and the milk equivalent of fluid cream, total disposition (1, 2, 3),  
fluid milk and the milk equivalent of fluid cream as housekeeping per capita (4, 5),  
indices of public assistance, persons and payments (6),  
indices of farm and nonfarm per capita incomes, all sources (7)

Item	1935-39 :: Mil. lb.	1940 :: Mil. lb.	1941 :: Mil. lb.	1942 :: Mil. lb.	1943 :: Mil. lb.
1-Consumption of fluid milk and milk equivalent of fluid cream:					
Farm housekeeping 1/ .....	12,470.6	12,430	12,394	12,215	11,975
Nonfarm housekeeping 1/ .....	24,945.6	24,307	24,086	25,176	27,237
Institutional use 2/ .....	6,341.4	8,528	9,433	10,356	10,935
Industrial, etc. 3/ .....	389.0	526	1,027	3,767	2,704
Total .....	44,146.6	45,591	46,900	49,514	52,851
2-Disposition break-down as percentages of the annual total:	Pct.	Pct.	Pct.	Pct.	Pct.
Farm housekeeping .....	28.2	27.3	26.4	24.7	22.7
Nonfarm housekeeping .....	56.5	53.3	51.3	50.8	51.5
Institutional use .....	14.4	18.3	20.1	20.9	20.7
Industrial, etc. ....	.9	1.1	2.2	3.6	5.1
Total .....	100.0	100.0	100.0	100.0	100.0
3-Disposition break-down as percentages of 1935-39:					
Farm housekeeping .....	100.0	99.7	99.4	98.0	96.0
Nonfarm housekeeping .....	100.0	97.4	96.4	100.9	109.2
Institutional use .....	100.0	131.3	148.8	163.3	172.4
Industrial, etc. ....	100.0	135.2	264.0	451.2	695.1
Total .....	100.0	103.3	106.2	112.2	119.7
4-Per capita consumption, housekeeping, pounds per year:	Lb.	Lb.	Lb.	Lb.	Lb.
Farm .....	397.0	402.9	411.5	422.1	429.2
Nonfarm .....	264.7	251.3	248.0	259.9	269.0
5-Per capita consumption, housekeeping, pints per day:	Pt.	Pt.	Pt.	Pt.	Pt.
Farm .....	1,012	1,027	1,049	1,076	1,094
Nonfarm .....	.675	.640	.632	.662	.735
6-Indices of relief and public assistance: including employment (1935-39 = 100):	Index	Index	Index	Index	Index
Persons .....	100.0	79.6	55.8	47.4	42.0
Payments .....	100.0	92.5	75.6	47.5	33.2
7-Indices of per capita annual incomes, all sources (1935-39 = 100):					
Farm .....	100.0	108	142	209	269
Nonfarm .....	100.0	116	134	164	196

1/ Bureau of Agricultural Economics definition of "farm" and "nonfarm" consumers.  
2/ Office of Price Administration definition of "institutional" users.  
3/ A residual; however, the Census of Industry, 1939, provides some data on dairy products  
utilized by bakers and confectioners.  
4/ Based on approximations only, not official data.



indices for milk (103) and cream (110). No indices for rural farm families were found but it seems reasonable to assume that these should be substantially higher during the spring, the season of greatest milk production and lowest wholesale prices. The rural nonfarm indices are weighted as between non-entrepreneurial farm population and those who are residents of unincorporated suburban or nonfarm areas, such as mechanics, dealers, etc. These indices are used to divide the unadjusted spring estimates in order to obtain adjusted yearly averages and percentages.

Annual per capita	Unadjusted (Spring 1942) Lb.	Assumed con- sumption indices	Adjusted annual Lb.	Percentages adjusted
4/				
Rural farm				
Milk	560,118	124	451,708	77.5
Cream	173,021	132	131,077	22.5
Total	733,119	-	582,785	= 100.0
Rural nonfarm				
Milk	345,462	104	332,175	86.9
Cream	55,772	111	50,245	13.1
Total	401,234	-	382,420	= 100.0
Urban				
Milk	301,860	103	293,068	85.2
Cream	55,794	110	50,722	14.8
Total	357,654	-	343,790	= 100.0

If the rural nonfarm data are broken down into an approximation 5/ of the actual nonfarm consumption and that part of the consumption eaten at home by farm employees the following estimates are obtained:

	Millions of pounds		Millions of pounds
Farm consumption		Nonfarm consumption	
Entrepreneurs	15,667	Urban	24,369
Employees (at home)	1,026	Rural	10,038
Total	16,693	Total	34,407

The Bureau of Agricultural Economics estimate of consumption on farms where produced, adjusted upward for farm consumption by purchase, is 12,215 millions of pounds, or 73.17 percent of the 16,693 millions of pounds reported by the farm housewives. Assuming the discrepancy between reported and apparent actual consumption is the same for nonfarm as for farm consumers, and applying the same correction factor 6/ to the 34,407 millions of pounds of nonfarm housekeeping con-

4/ The Bureau of Human Nutrition and Home Economics definition of rural farm is entrepreneurial, farm labor is only included for meals eaten with a farm family as defined. 5/ The space assigned to this article makes it impossible to include more detail; work sheets are available for study. 6/ This correction is based on what the writer has termed the "coefficient of error," or that number by which reports by the housewife must be multiplied in order to reduce or expand them to reality. In general, it is less than 1 for items increasing her prestige and greater than 1 for items decreasing her prestige. See studies by Frederick V. Waugh, The Consumption of Milk and Dairy Products in Metropolitan Boston in December, 1930; T.K. Cowden and Alexander Sturges, The Consumption of Fluid Milk and other Dairy Products in Philadelphia, Pa. June 1934; Charles B. Howe and

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sumption, an adjusted estimate of such consumption is obtained, amounting to 25,176 million pounds. The total housekeeping consumption is then the sum of 12,215 and 25,176 millions of pounds, or 37,391. The Bureau of Agricultural Economics estimate of total consumption, housekeeping, and nonhousekeeping together, is 49,514; the difference, therefore, is 12,123 millions of pounds. This difference should include all nonhousekeeping uses, institutional, industrial and other.

Based entirely on the Office of Price Administration's survey, the estimate of institutional use for 1942 is 10,356 millions of pounds. This estimate subtracted from 12,123, leaves a residual of 1,767 millions of pounds for industrial and other uses, and for balance, including errors because of differences between independently derived estimates.

The methods of adjusting the Office of Price Administration data are given below in detail. For December, 1942, the adjusted OPA estimate of fluid milk consumed in total institutions was 46,830,431 gallons or 402,741,707 pounds. The assumed seasonal index of milk consumption 7/ for December was .85 and the trend factor .950. 7/

$$\frac{402,741,707 \times .950 \times 12 \text{ months}}{.85} = 5,402 \text{ millions of pounds}$$

The adjusted OPA estimate of cream consumed in total institutions in December 1942 was 5,928,493 gallons or 50,190,029 pounds. The assumed seasonal index of cream consumption was .80. 7/ The trend factor .950 7/, the butterfat content 24.36 percent, the milk conversion factor .04 and a special adjustment factor to allow for reduced cream consumption in December 1942 as compared to entire year, was 1.1375. 8/

$$\frac{50,190,029 \times .949 \times .2436 \times 1.1375 \times 12 \text{ months}}{.80 \times .04} = 4,954 \text{ millions of pounds}$$

The total 1942 institutional use was, therefore, estimated at 10,356 millions of pounds of fluid milk and the milk equivalent of fluid cream.

Estimates of milk and cream consumed by total institutions in years other than 1942 were derived by computing indices of the physical volume of food consumed in institutions and applying these indices to the institutional total for 1942. This was done on the assumption that the quantity of milk and cream consumed per deflated dollar remains reasonably constant. The indices were obtained by dividing Bureau of Foreign and Domestic Commerce estimates of food expenditures in institutions by the Bureau of Labor Statistics food cost indices. These indices

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Warren C. Waite, The Consumption of Dairy Products In Seven Metropolitan Cities of New Jersey, October 1932; and F.F. Lininger and Hutzler Metzger, The Consumption of Dairy Products by 1370 Families in Philadelphia, June 1929; and others regarding the housewife's tendency to err, either consciously or unconsciously, in reporting consumption data to interviewers. The coefficient in this case is computed by dividing the adjusted Bureau of Agricultural Economics estimate of farm consumption by the comparable Bureau of Human Nutrition and Home Economics data, adjusted for seasonality and home consumption by farm employes. 7/ It was assumed that the institutional consumption of fluid milk in December was 85 percent of the average monthly consumption for the year, that the institutional consumption of fluid cream in December was 80 percent of the average monthly consumption for the year, and that the trend factor would be the index of physical volume for 1942 divided by the index of physical volume for December 1942 ( $163.3 \div 171.9 = .950$ ). 8/ Cream consumption in 18 Federal Marketing Areas; December .84383 and for year 1942, .95988; ratio of indices, 1.1375.



of physical volume follow:

1935-39	100.00	=	6,341.4 millions of pounds
1940	131.32	=	8,328.
1941	148.75	=	9,433.
1942	163.30	=	10,356.
1943.	190.09	=	10,935. 9/
Spring 1942	163.78	-	
December 1942	171.91	-	

Except for 1942, it is obvious that the estimates of institutional use are rough approximations only. However, the nonfarm aggregates are a residual from the Bureau of Agricultural Economics estimates of total annual consumption from which have been deducted "farm housekeeping" and "institutional" consumption, and "industrial, other uses and for balance," 10/ Therefore, if these residuals were too high or too low they would provide unreasonable per capita figures when divided by the civilian nonfarm housekeeping population. Fortunately, the available data seem to check. In fact, when the farm and nonfarm per capitas of consumption are charted as dependent variables against the indices of farm and nonfarm per capita incomes as independents, entirely reasonable and regular relationships are obtained.

A limitation of space prevents the discussion of much relevant supporting data, nevertheless it is felt that sufficient evidence has been presented in this brief study to indicate that no war-time study of consumption of the major foods should be considered complete unless adequate estimates of institutional consumption are included. Institutional consumption has now reached such large totals that it can no longer be ignored.

#### FARM-RETAIL PRICE SPREADS, APRIL 1944

##### Food marketing charges and marketing margin rise slightly, March to April

Total charges for marketing the basket of farm food products containing quantities equivalent to annual purchases by a typical workingman's family amounted to \$197 in April. Of these total marketing charges \$17 represents Government payments to the marketing agencies handling farm food products while \$180 represents the marketing margin or the spread between retail cost to consumers and payments<sup>to farmers</sup> for equivalent produce. In March, total marketing charges were \$196 and the marketing margin excluding Government marketing payments was \$179. April marketing charges of \$197 were the same as those for August 1943 which represented a decline of \$23 from the 1943 high point reached in June. Most of this decline in marketing charges occurred in the group of fresh fruits and vegetables.

##### Revised farmer's share at 59 cents in March

Revision of the payments to farmers for produce equivalent to the contents of the food basket changed the farmer's share of the consumer's food dollar for March 1944 from 58 cents to 59 cents. This was followed by a decline to 58 cents for April 1944. For the last 9 months, the farmer's share has been the highest on record since 1918. The remainder of the consumer's dollar represents the portion of marketing charges included in the marketing margin, but does not measure that part of the marketing charges covered by Government marketing payments. The middlemen's share of the consumer's food dollar, excluding Government marketing payments,

9/Cream consumption in 18 Federal Marketing Areas; 1943, .76466 and 1942, .95988; ratio of indices, .797. 10/ Includes a constant allowance for prisons, etc., and a variable allowance for certain other nonindustrial consuming groups.

was 41 cents in March and 42 cents in April. When the Government marketing payments are included, these shares increase to 45 cents in March and 46 cents in April.

Farm and retail prices of food products remain near recent lows

Retail cost to consumers of the farm product food basket was \$433 in April 1944, the same as in March and the lowest since February 1943. Payments to farmers for equivalent produce declined from a revised estimate of \$254 in March to \$253 in April, the same as for February 1944. During the last 6 months of 1943, payments to farmers ranged from \$255 to \$258.

Comparison of April 1944 retail and farm values and margins of the food basket with the record high in 1920 show retail cost down 16 percent below the 1920 level, payments to farmers down 7 percent, and marketing charges lower by 19 percent. The farmer's share of the consumer's food dollar was 53 cents in 1920 compared to 58 and 59 cents during late 1943 and early 1944.

Marketing margin for eggs shows little changes

The marketing margin, or spread between retail prices and prices received by farmers, per dozen of eggs rose about 1 percent from 17.7 cents in March to 17.9 cents in April, compared to 16.2 cents in April 1943 and the 1935-39 pre-war average of 14.3 cents. The farmer's share of the retail egg price was 60 percent in April 1944, the same as the pre-war average. From March to April, the retail price per dozen declined by 6 percent from 47.8 cents to 45.0 cents, while the prices received by farmers declined by 10 percent from 30.1 cents to 27.1 cents. Comparing April 1944 to the same month in 1943 shows the retail price lower by 10 percent, and the price received by farmers lower by 20 percent. March to April margin increases amounted to 11 percent for oranges and 4 percent for corn meal, with pork products, hens, eggs, and sweetpotatoes also showing increases. Margin decreases ranged to 9 percent for macaroni and 7 percent for lamb products (before allowance for value of pelt and other byproducts).

Retail clothing prices outrunning costs of fiber materials

In March 1944, retail clothing prices in large cities, as obtained by the Bureau of Labor Statistics, were 137 percent of the 1935-39 level, compared to 128 percent in March 1943, an increase of 7 percent during the year. During the same period, wholesale prices of textile products and prices received by farmers for cotton and wool showed little change. Wholesale prices rose less than 1 percent, while prices received by farmers showed a slight decline. The average margin of mills spinning and weaving cotton gray goods showed less than 1 percent increase from March 1943 to March 1944. It is doubtful that this disparity in price trends reflects a widening of distributive margins. It is more probable that the stronger trend in reported retail price reflects the recent practice of the Bureau of Labor Statistics in substituting higher priced lines for lower priced lines when the latter are no longer available in sufficient volume for normal consumer purchase.



Table 4.- Annual family purchases of 58 foods 1/

Year and month	Cost at retail : Dollars	Paid to farmers : Dollars	Marketing margin : Dollars	Government marketing payments : Dollars	Total marketing charges 2/ : Dollars	Farmer's share : Percent
1913-15 average:	236	135	121	0	121	53
1920 .....	514	272	242	0	242	53
1929 .....	415	195	220	0	220	47
1935-39 average:	332	141	191	3/-2	189	42
1941 .....	342	164	178	0	178	48
1942 .....	398	209	189	0	189	53
1943 .....	447	255	192	8	200	57
1943 - Apr. ....	462	261	201	1	202	56
May .....	475	261	214	1	215	55
June .....	470	260	210	10	220	55
July .....	451	255	196	12	208	57
Aug. ....	440	255	185	12	197	58
Sept. ....	438	255	183	12	195	58
Oct. ....	440	256	184	13	197	58
Nov. ....	440	256	184	14	198	58
Dec. ....	440	258	182	16	198	59
1944 - Jan. ....	440	256	184	16	200	58
Feb. ....	436	253	183	17	200	58
Mar. ....	433	4/254	4/179	17	196	4/59
Apr. ....	433	5/253	5/180	17	197	58

1/ Important food products produced by American farmers combined in quantities representing annual purchases by a typical workingman's family. Retail price average for 56 cities from Bureau of Labor Statistics. 2/ Marketing margin plus Government marketing payments. 3/ Processing taxes in 1935. 4/ Revised. 5/ Preliminary.

Table 5.- Food cost and expenditures compared with total income per person,

United States average 1/

Year and month	Total income	Cost to consumer of fixed quantities of foods representing average annual consumption per person, 1935-39	Food expenditures : As percentage of total expenditures	Cost to consumer of fixed quantities of foods representing average annual consumption per person, 1935-39	Food expenditures : As percentage of total expenditures	Cost to consumer of fixed quantities of foods representing average annual consumption per person, 1935-39	Food expenditures : As percentage of total expenditures	Cost to consumer of fixed quantities of foods representing average annual consumption per person, 1935-39	Food expenditures : As percentage of total expenditures
	: Total income	: Total income	: Total income	: Total income	: Total income	: Total income	: Total income	: Total income	: Total income
	: goods and services	: goods and services	: goods and services	: goods and services	: goods and services	: goods and services	: goods and services	: goods and services	: goods and services
	: Dol.	: Dol.	: Dol.	: Pct.	: Pct.	: Dol.	: Pct.	: Pct.	: Pct.
1935-39 average:	520	456	113	22	25	113	22	25	25
1941 .....	692	560	140	20	25	120	17	21	21
1942 .....	857	612	176	21	29	143	17	23	23
1943 .....	2/1,041	685	206	20	30	163	16	24	24
Annual rates by months, seasonally adjusted									
1943 - Jan. ....	2/979	660	196	20	30	155	16	23	23
July .....	1,050	709	217	21	31	164	16	23	23
Nov. ....	1,082	701	210	19	30	164	15	23	23
Dec. ....	1,091	698	218	20	31	164	15	23	23
1944 - Jan. ....	2/1,107	724	222	20	31	2/164	15	23	23
Feb. ....	3/1,128	3/738	226	20	31	163	14	22	22
Mar. ....	3/1,121	---	225	20	---	163	15	---	---

1/ See notes in original table p. 3, April-May 1943 issue. 2/ Revised. 3/ Preliminary.

Table 6.- Price spreads between the farmer and the consumer - food products, April, 1944

Retail commodity	Table no.	Unit	Retail Price	Farm equivalent Quantity	Farm equivalent Value	Actual margin	Farm value as percent of retail price
	1/		Cents		Cents	Cents	Percent
Pork products..	11	1 lb. prin pork products	28.8	1.90 lb. live hog	24.7	4.1	86
Dairy products:	12	100 lb. milk equivalent	425.8	100 lb. milk equivalent	2/258.7	2/167.1	61
Hens.....	13	1 lb.	45.0	1.11 lb.	26.3	18.7	58
Eggs.....	14	1 doz.	45.0	1 doz.	27.1	17.9	60
White flour....	15	1 lb.	6.5	1.41 lb. wheat	3.5	3.0	54
White bread....	16	1 lb.	8.6	.97 lb. wheat	2.4	6.2	28
Corn meal.....	17	1 lb.	6.0	1.5 lb. corn	3.1	2.9	52
Rolled oats....	18	1 lb.	8.7	1.78 lb. oats	4.4	4.3	51
Corn flakes....	19	8-oz. pkg.	6.5	1.275 lb. corn	2.6	3.9	40
Wheat cereal...	20	28-oz. pkg.	23.3	2.065 lb. wheat	5.1	18.2	22
Rice.....	21	1 lb.	12.8	1.51 lb. rough rice	6.4	6.4	50
Navy beans.....	22	1 lb.	10.6	1 lb. dry beans	6.1	4.5	58
Oranges.....	24	1 doz.	45.1	1/17 box	14.7	30.4	33
Potatoes.....	25	1 lb.	4.2	1 lb.	2.3	1.9	55
Apples.....	35	1 lb.	11.8	1 lb.	6.6	5.2	56
Lamb products..	37	1 lb. prin. lamb cuts	35.7	2.16 lb. live lamb	29.4	6.3	82
Sweetpotatoes..	38	1 lb.	11.3	1 lb.	4.2	7.1	37
Rye bread.....	39	1 lb.	9.4	.39 lb. rye and .64 lb. wheat	2.3	7.1	24
Whole wh. bread:	40	1 lb.	10.1	.92 lb. wheat	2.3	7.8	23
Macaroni.....	41	1 lb.	15.7	1.72 lb. durum wheat	4.2	11.5	27
Soda crackers..	42	1 lb.	18.9	1.085 lb. wheat	2.7	16.2	14
Peanut butter..	44	1 lb.	28.4	1.73 lb. peanuts	13.2	15.2	46
58 foods combined	8	Annual family consumption	\$433	Annual family consumption	2/\$253	2/\$180	58

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer."

2/ Preliminary.

Retail prices from the Bureau of Labor Statistics.



Table 7.—Price spreads between the farmer and the consumer — food products, retail price and farm value, April 1944

Commodity	Retail price			Percentage			Farm value			Percentage		
	: : :			: : :			: : :			: : :		
	: 1935-39: April : March :	: 1944 : April : March :	: 1944 : April : March :	: 1935-39: April : March :	: 1944 : April : March :	: 1944 : April : March :	: 1935-39: April : March :	: 1944 : April : March :	: 1944 : April : March :	: 1935-39: April : March :	: 1944 : April : March :	: 1944 : April : March :
	Cents	Cents	Cents	Percent	Percent	Percent	Cents	Cents	Cents	Percent	Percent	Percent
Port products.....	25.3	31.6	28.8	- 9	0	0	1.90 lb. live hogs	15.7	27.3	24.9	- 10	- 1
Dairy products.....	324.0	442.7	425.9	- 4	1/	1/	100 lb. milk equiv.	146.0	251.6	262.4	2/253.7	- 1
Hens.....	31.7	46.4	44.9	- 3	1/	1/	1.11 lb.	16.5	27.3	26.4	- 4	1/
Eggs.....	36.0	49.9	47.8	- 10	- 6	- 6	1 doz.	21.7	33.7	30.1	- 20	- 10
White flour.....	4.5	6.1	6.5	+ 7	0	0	1.41 lb. wheat	2.0	2.9	3.4	+ 21	+ 3
White bread.....	8.2	8.7	8.6	- 1	- 1	- 1	0.97 lb. wheat	1.3	2.0	2.4	+ 20	0
Corn meal.....	5.0	5.5	5.9	+ 9	+ 2	+ 2	1.5 lb. corn	1.8	2.7	3.1	+ 15	0
Rolled oats.....	7.4	8.9	8.7	- 2	0	0	1.78 lb. oats	1.9	3.4	4.4	+ 29	0
Corn flakes.....	7.8	7.0	6.5	- 7	0	0	1.275 lb. corn	1.6	2.3	2.6	+ 13	0
Wheat cereal.....	24.3	24.1	23.3	- 3	0	0	2.065 lb. wheat	2.9	4.2	5.0	+ 21	+ 2
Rice.....	8.2	12.8	12.8	0	0	0	1.51 lb. rough rice	2.5	6.1	6.4	+ 5	0
Navy beans.....	6.9	9.9	10.6	+ 7	0	0	1 lb. dry beans	3.5	5.5	6.1	+ 11	0
Oranges.....	31.5	39.9	41.9	+ 13	+ 8	+ 8	1/17 box	9.3	13.9	14.5	+ 6	1
Potatoes.....	2.5	5.3	4.2	- 21	0	0	1 lb.	1.2	2.8	2.3	- 18	0
Apples.....	5.5	10.6	11.6	+ 11	+ 2	+ 2	1 lb.	1.9	4.5	6.4	+ 47	+ 3
Lamb products.....	27.2	36.9	35.7	- 3	0	0	2.16 lb. live lamb	16.2	30.0	28.9	- 2	2
Sweetpotatoes.....	4.4	12.7	11.0	- 11	+ 3	+ 3	1 lb.	1.5	3.3	4.0	+ 27	+ 5
Rye bread.....	9.1	9.3	9.4	+ 1	0	0	0.39 lb. rye and	1.3	1.8	2.3	+ 28	0
Whole wheat bread.....	9.3	10.1	10.1	0	0	0	0.64 lb. wheat	1.3	1.9	2.2	+ 21	+ 5
Macaroni.....	15.0	15.0	16.7	+ 5	- 6	- 6	1.72 lb. durum wheat	2.3	3.4	4.1	+ 24	+ 2
Soda crackers.....	16.9	17.7	18.8	+ 7	+ 1	+ 1	1.085 lb. wheat	1.5	2.2	2.6	+ 23	+ 4
Peanut butter.....	19.3	32.2	28.6	- 12	- 1	- 1	1.73 lb. peanuts	6.1	12.1	13.0	+ 9	+ 2
58 foods combined	\$332	\$462	\$433	- 6	0	0	Annual family	\$141	\$261	3/254	2/253	- 3
consumption :							consumption					1/

1/ Less than 0.5 percent. 2/ Preliminary. 3/ Revised.

Retail prices are 56-city averages as published by the Bureau of Labor Statistics — Farm values are calculated from U. S. average farm price.

Table 8.- Price spreads between the farmer and the consumer -- food products, margins, and farm value as percentage of retail price, April 1944

Commodity	Retail unit	Margins		Percentage : : change to : : April 1944 from:		Farm value as percentage of retail price	
		: 1935-39: April : March : April : April : March : 1935-39: April : March : April : April : average: 1943 : 1944 : 1944 : 1944 :		: Percent		Percent	
		Cents	Cents	Cents	Percent	Percent	Percent
Pork products.....	1 lb. prin. pork	9.6	4.3	3.9	4.1	62	86
	products						
Dairy products.....	100 lb. milk equiv.	178.0	191.1	163.5	1/167.1	45	61
Hens.....	1 lb.	15.2	19.1	18.5	18.7	52	58
Eggs.....	1 doz.	14.3	16.2	17.7	17.9	60	60
White flour.....	1 lb.	2.5	3.2	3.1	3.0	44	54
White bread.....	1 lb.	6.9	6.7	6.3	6.2	16	28
Corr meal.....	1 lb.	3.2	2.8	2.8	2.9	36	53
Rolled oats.....	1 lb.	5.5	5.5	4.3	4.3	26	51
Corn flakes.....	8-oz. pkg.	6.2	4.7	3.9	3.9	21	40
Wheat cereal.....	28-oz. pkg.	21.4	19.9	18.3	18.2	12	22
Rice.....	1 lb.	5.7	6.7	6.4	6.4	30	50
Navy beans.....	1 lb.	3.4	4.4	4.5	4.5	51	58
Oranges.....	1 lb.	22.2	26.0	27.4	30.4	30	33
Potatoes.....	1 lb.	1.3	2.5	1.9	1.9	48	55
Apples.....	1 lb.	3.6	6.1	5.2	5.2	35	56
Lamb products.....	1 lb. prin. lamb cuts	11.0	6.9	6.8	6.3	60	82
Sweetpotatoes.....	1 lb.	2.9	9.4	7.0	7.1	34	37
Rye bread.....	1 lb.	7.8	7.5	7.1	7.1	14	24
Whole wheat bread..	1 lb.	8.0	8.2	7.9	7.8	19	23
Macaroni.....	1 lb.	12.7	11.6	12.6	11.5	15	27
Soda crackers.....	1 lb.	15.4	15.5	16.2	16.2	9	14
Peanut butter.....	1 lb.	13.2	20.1	15.6	15.2	32	46
58 foods	Annual family						
combined	consumption	\$191	\$201	\$179	1/\$180	42	58
1/ Preliminary.							



Table 9. - Farm products: Indexes of prices at several levels of marketing,  
1935-39 = 100

Year and month	Cost :			Foods :			Fibre :			Whole- :		
	of	Retail:	Farm	Retail:	Whole-	Farm	Retail:	Whole-	Farm	sale	Farm	
	living:	prices:	Whole-	prices:	prices:	sale	prices:	of	cotton:	all	all	paid
	of	of	sale	of	of	prices:	of	of	of	of	of	farm-
	city	all	prices:	58	cloth-	ing	textile:	and	farm	pro-	ers	
	fa-	foods:	2/	foods	ing	textile:	and	farm	pro-	ducts	3/	
	milies:	1/	:	3/	1/	pro-	wool	pro-	ducts	3/	:	
	1/	:	:	:	:	ducts	4/	ducts	3/	:	:	
	:	:	:	:	:	2/	:	2/	:	:	:	
1913.....	71	80	81	95	69	81	111	94	95	81		
1914.....	72	82	82	97	70	77	97	94	95	80		
1918.....	78	91	96	110	78	99	131	111	111	100		
1918.....	108	134	151	174	128	193	281	195	190	141		
1920.....	143	169	174	193	201	232	282	198	199	162		
1929.....	122	132	126	138	115	127	167	138	137	123		
1932.....	98	86	77	62	91	77	55	63	61	86		
1935.....	98	100	106	98	97	100	109	104	102	100		
1936.....	99	101	104	108	98	101	114	106	107	100		
1937.....	103	105	108	113	103	107	111	114	114	105		
1938.....	101	98	93	92	102	94	81	90	89	98		
1939.....	99	95	89	89	100	98	85	86	88	97		
1940.....	100	97	90	94	102	104	97	89	92	99		
1941.....	105	105	105	116	106	119	131	108	115	105		
1942.....	116	124	126	148	124	136	178	139	148	122		
1943.....	124	138	135	181	130	137	190	162	177	132		
1939 - Aug.	---	94	85	85	---	96	85	80	83	96		
Sept.	101	98	95	95	100	101	91	90	92	98		
1943 - Apr.	124	141	137	185	128	137	192	163	175	130		
May..	125	143	140	185	128	137	192	165	176	131		
June..	125	142	139	184	128	137	192	166	179	132		
July..	124	139	136	181	129	137	189	165	174	133		
Aug..	123	137	134	181	129	137	190	163	179	133		
Sept.	124	137	133	181	132	137	193	162	179	133		
Oct..	124	138	133	182	133	137	193	161	180	133		
Nov..	124	137	134	182	134	138	186	160	181	134		
Dec..	124	137	134	183	135	138	190	160	185	135		
1944 - Jan..	124	136	133	182	135	138	192	160	186	136		
Feb..	124	134	132	180	135	138	190	161	185	137		
Mar..	124	134	132 5/	180	137	138	190	163	186	137		
Apr..	124	135	133	179	137	138	192	162	186	137		

- 1/ From "Changes in Cost of Living" Bureau of Labor Statistics.
- 2/ Calculated from figures of the Bureau of Labor Statistics.
- 3/ Based on figures published by the United States Department of Agriculture.
- 4/ Cotton and wool prices weighted by production in the period 1935-39.
- 5/ Revised.

Table 10.- Indexes of consumer income and of hourly earnings in marketing,  
1935-39 = 100

Year and month	Nonagri-	Monthly	Hourly earnings in marketing enterprises			
	cultural	earnings	Class I	Food	Food	Cotton
	income	per	steam	processing	marketing	processing
	payments	employed	railways			
	1/	worker 2/	3/	4/	5/	4/
1929 .....	122	118	93	---	---	---
1935-39 average ..	100	100	100	100	100	100
1940 .....	115	111	105	110	105	106
1941 .....	138	132	106	116	110	119
1942 .....	170	166	119	128	120	139
1943 .....	207	196	121	139	130	152
1943 - Mar. ....	200	190	119	136	127	151
Apr. ....	202	193	120	136	128	151
May ....	203	196	120	139	129	152
June ....	207	196	119	140	130	152
July ....	209	194	119	140	130	152
Aug. ....	210	197	120	140	131	151
Sept. ....	211	201	121	140	132	154
Oct. ....	213	204	121	142	133	153
Nov. ....	217	205	123	145	134	153
Dec. ....	219	202	124	146	132	153
1944 - Jan. ....	6/222	205	132	146	135	154
Feb. ....	225	206	137	146	135	154
Mar. ....	7/224	7/207	133	146	135	156

1/ United States Department of Commerce estimates. Adjusted for seasonal variation. Revised series. 2/ Prepared in the Bureau of Agricultural Economics from data of the Bureau of Labor Statistics, adjusted for seasonal variation. 3/ Compiled from data published by the Interstate Commerce Commission. 4/ Bureau of Labor Statistics. 5/ Weighted composite of earnings in steam railways, food processing, wholesaling, and retailing. 6/ Revised. 7/ Preliminary estimates.





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